

**TWENTY-FIFTH JUDICIAL DISTRICT COURT**  
Belle Chasse, Louisiana

Financial Report

Year Ended December 31, 2009

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date

8/4/10

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## INDEPENDENT AUDITOR'S REPORT

The Honorable Kevin Conner and the Honorable Joy Lobrano  
Twenty-Fifth Judicial District Court  
Belle Chasse, Louisiana

We have audited the accompanying financial statements of the governmental activities and each major fund of Twenty-Fifth Judicial District Court (hereinafter "Court"), a component unit of the Plaquemines Parish Government, as of and for the year ended December 31, 2009, which collectively comprise the Court's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Court. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Court, as of December 31, 2009, and the respective changes in financial position, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 29, 2010 on our consideration of the Court's internal control over financial reporting and on our tests of its

compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*, and should be considered in assessing the results of our audit.

The Court has not presented management's discussion and analysis that the Governmental Accounting Standards Board has determined is necessary to supplement, although not required to be part of, the basic financial statements.

The budgetary comparison schedules on pages 21 and 22 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

***Kolder, Champagne, Slaven & Company, LLC***  
Certified Public Accountants

Morgan City, Louisiana  
June 29, 2010

## **BASIC FINANCIAL STATEMENTS**

**GOVERNMENT-WIDE FINANCIAL STATEMENTS**

TWENTY-FIFTH JUDICIAL DISTRICT COURT  
Belle Chasse, Louisiana

Statement of Net Assets  
December 31, 2009

	<u>Governmental Activities</u>
<b>ASSETS</b>	
Current assets:	
Cash	\$ 40,847
Receivables, net	383
Due from other governments	<u>7,804</u>
Total current assets	49,034
Noncurrent assets:	
Capital assets, net	<u>6,333</u>
Total assets	<u>55,367</u>
<b>LIABILITIES</b>	
Accounts payables	<u>12,825</u>
<b>NET ASSETS</b>	
Invested in capital assets	6,333
Unrestricted	<u>36,209</u>
Total net assets	<u>\$ 42,542</u>

*The accompanying notes are an integral part of the financial statements.*

**Statement of Activities**  
**Year Ended December 31, 2009**

*The accompanying notes are an integral part of the financial statements.*



## **FUND FINANCIAL STATEMENTS**

## **MAJOR FUNDS' DESCRIPTIONS**

### **GENERAL FUND**

To account for resources traditionally associated with governments which are not required to be accounted for in another fund.

### **SPECIAL REVENUE FUND** **Families in Need of Services**

To account for the proceeds received from the Louisiana Supreme Court for the purpose of helping families (troubled youth and their parents) to remedy self destructive behaviors by juveniles and/or other family members.

TWENTY-FIFTH JUDICIAL DISTRICT COURT  
Belle Chasse, Louisiana

Balance Sheet  
Governmental Funds  
December 31, 2009

	General	FINS	Total Governmental Funds
<b>ASSETS</b>			
Cash	\$ 37,349	\$ 3,498	\$ 40,847
Receivables:			
Due from other governments	5,616	2,188	7,804
Other receivables	128	255	383
Total assets	\$ 43,093	\$ 5,941	\$ 49,034
<b>LIABILITIES AND FUND BALANCE</b>			
Liabilities:			
Accounts payable	\$ 12,825	\$ -	\$ 12,825
Deferred Revenue	2,319	-	2,319
Total liabilities	15,144	-	15,144
Fund balance:			
Unreserved, reported in			
General Fund	27,949	-	27,949
Special Revenue Fund	-	5,941	5,941
Total fund balance	27,949	5,941	33,890
Total liabilities and fund balance	\$ 43,093	\$ 5,941	\$ 49,034

(continued)

TWENTY-FIFTH JUDICIAL DISTRICT COURT  
Belle Chasse, Louisiana

Balance Sheet (Continued)  
Governmental Funds  
December 31, 2009

Reconciliation of the governmental funds balance sheet to the statement of  
of net assets:

Total fund balance for the governmental fund at December 31, 2009	\$ 33,890
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Capital assets used in governmental activities are not financial resources  
and, therefore, are not reported in the funds. Those assets consist of

Equipment	\$ 7,037	
Less: Accumulated depreciation	<u>(704)</u>	6,333

Deferred revenues are not considered current financial resources and are reported as a liability in the funds	<u>2,319</u>
--	--------------

Total net assets of governmental activities at December 31, 2009	<u>\$ 42,542</u>
--	------------------

*The accompanying notes are an integral part of the financial statements.*

TWENTY-FIFTH JUDICIAL DISTRICT COURT  
Belle Chasse, Louisiana

Statement of Revenues, Expenditures, and Changes in Fund Balances  
Governmental Funds  
Year Ended December 31, 2009

	<u>General</u>	<u>FINS</u>	<u>Total Governmental Funds</u>
Revenues:			
Intergovernmental	\$ 24,677	\$ 26,285	\$ 50,962
Expenditures:			
Current -			
General government:			
Operating services	45,825	36,492	82,317
Capital outlay	7,037	-	7,037
Total expenditures	<u>52,862</u>	<u>36,492</u>	<u>89,354</u>
Net change in fund balances	(28,185)	(10,207)	(38,392)
Fund balance, beginning	<u>56,134</u>	<u>16,148</u>	<u>72,282</u>
Fund balance, ending	<u>\$ 27,949</u>	<u>\$ 5,941</u>	<u>\$ 33,890</u>

(continued)

TWENTY-FIFTH JUDICIAL DISTRICT COURT  
Belle Chasse, Louisiana

Statement of Revenues, Expenditures, and Changes in Fund Balances (Continued)  
Governmental Funds  
Year Ended December 31, 2009

Reconciliation of the statement of revenues, expenditures, and changes  
in fund balances of governmental funds to the statement of activities:

Total net change in fund balances for the year ended December 31, 2009 per Statement of Revenues, Expenditures and Changes in Fund Balances	\$ (38,392)
--	-------------

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This the amount by which capital outlays exceed depreciation for the period.	6,333
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Some revenues reported in the statement of activities are not considered current financial resources and are not reported as revenues in governmental funds	<u>2,319</u>
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Total change in net assets for the year ended December 31, 2009 per Statement of Activities	<u>\$ (29,740)</u>
--	--------------------

*The accompanying notes are an integral part of the financial statements.*

TWENTY-FIFTH JUDICIAL DISTRICT COURT  
Belle Chasse, Louisiana

Notes to Financial Statements

INTRODUCTION

The Twenty-Fifth Judicial District Court was created through constitutional provisions. The Judicial Expense Fund (the Court's General Fund) was created by LSA-RS 13:996.66. In general, the creating statute provides that the judges of the district may levy court costs for operations of the courts. Court costs are normally collected by the clerk of court and the sheriff, remitted to the judges, and deposited to the general fund. The judges may expend these monies to pay all or any part of the cost of establishing and maintaining a law library for the court or for buying and maintaining any type of equipment, supplies, or other items consistent with the efficient operation of the court.

(1) Summary of Significant Accounting Policies

A. Financial Reporting Entity

As the governing authority of the Court, for reporting purposes, the Plaquemines Parish Government is the financial reporting entity. The financial reporting entity consists of the primary government (Parish), organizations for which the primary government is financially accountable and other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Governmental Accounting Standards Board Statement No. 14 established criteria for determining which component units should be considered part of the Plaquemines Parish Government for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. The criteria include:

- 1) Appointing a voting majority of an organization's governing body, and
  - a) The ability of the Parish to impose its will on that organization and/or
  - b) The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the Parish.
- 2) Organizations for which the Parish does not appoint a voting majority but are fiscally dependent on the Parish.
- 3) Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

TWENTY-FIFTH JUDICIAL DISTRICT COURT  
Belle Chasse, Louisiana

Notes to Financial Statements (continued)

Because the Parish provides the Court with office space and is otherwise fiscally dependent on the Parish, the Court was determined to be a component unit of the Plaquemines Parish Government, the financial reporting entity. The accompanying financial statements present information only on the funds maintained by the Court and do not present information on the Parish, the general government services provided by that governmental unit, or other governmental units that comprise the financial reporting entity.

**B. Basis of Presentation**

The accompanying basic financial statements of the Court have been prepared in conformity with governmental accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The accompanying basic financial statements have been prepared in conformity with GASB Statement 34, *Basic Financial Statements-and Management's Discussion and Analysis—for State and Local Governments*, issued in June 1999.

**Government-Wide Financial Statements**

The Statement of Net Assets and the Statement of Activities display information about the Court as a whole. These statements include all the financial activities of the Court. Information contained in these statements reflects the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange or exchange-like transactions are recognized when the exchange occurs (regardless of when cash is received or disbursed). Revenues, expenses, gains, losses, assets, and liabilities resulting from non-exchange transactions are recognized in accordance with the requirements of GASB Statement No. 33, *Accounting and Financial Reporting for Non-exchange Transactions*.

The statement of activities presents a comparison between direct expenses and program revenues for the Court's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) court costs, fees, and fines paid by the recipients of services offered by the Court, and (b) grants and contributions that are restricted to meeting the operational or capital requirement of a particular program.



TWENTY-FIFTH JUDICIAL DISTRICT COURT  
Belle Chasse, Louisiana

Notes to Financial Statements (continued)

Fund Financial Statements

The Court uses funds to maintain its financial records during the year. Fund accounting is designed to demonstrate legal compliance and to aid management by segregating transactions related to certain Court functions and activities. A fund is defined as a separate fiscal and accounting entity with a self-balancing set of accounts. The funds of the Court are classified as governmental. The emphasis on fund financial statements is on major funds, each displayed in a separate column. A fund is considered major if it is the primary operating fund of the entity or its total assets, liabilities, revenues, or expenditures of the individual governmental fund is at least 10 percent of the corresponding total for all governmental funds. The major funds of the Court are described below:

Governmental Funds -

General Fund

This fund is the primary operating fund of the Court and it accounts for the operations of the Court's office. The General Fund is available for any purpose provided it is expended or transferred in accordance with state and federal laws and according to the Court's policy.

Families in Need Services Special Revenue Fund

To account for the proceeds received from the Louisiana Supreme Court for the purpose of helping families (troubled youth and their parents) to remedy self destructive behaviors by juveniles and/or other family members.

C. Measurement Focus/Basis of Accounting

Measurement focus is a term used to describe "which" transactions are recorded within the various financial statements. Basis of accounting refers to "when" transactions are recorded regardless of the measurement focus applied.

Measurement Focus

On the government-wide statement of net assets and the statement of activities, governmental activities are presented using the economic resources measurement focus as defined in item b. below. In the fund financial statements, the "current financial resources" measurement focus or the "economic resources" measurement focus is used as appropriate:

TWENTY-FIFTH JUDICIAL DISTRICT COURT  
Belle Chasse, Louisiana

Notes to Financial Statements (continued)

- a. The governmental fund utilizes a "current financial resources" measurement focus. Only current financial assets and liabilities are generally included on its balance sheet. Their operating statement presents sources and uses of available expendable financial resources during a given period. This fund uses fund balance as its measure of available expendable financial resources at the end of the period.
- b. The government-wide financial statement utilizes an "economic resources" measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net assets (or cost recovery) and financial position. All assets and liabilities (whether current or noncurrent) associated with its activities are reported. Government-wide fund equity is classified as net assets.

**Basis of Accounting**

In the government-wide statement of net assets and statement of activities, the governmental activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures (including capital outlay) generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures are recorded only when payment is due.

**D. Assets, Liabilities and Equity**

**Cash**

For purposes of the statement of net assets, cash and interest-bearing deposits include all demand accounts, savings accounts, and certificates of deposits of the Court.

TWENTY-FIFTH JUDICIAL DISTRICT COURT  
Belle Chasse, Louisiana

Notes to Financial Statements (continued)

Capital Assets

Capital assets, which include equipment, are reported in the governmental activities column in the government-wide financial statements. Capital assets are capitalized at historical cost or estimated cost if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The Court maintains a threshold level of \$500 or more for capitalizing capital assets. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Depreciation of all exhaustible capital assets is recorded as an expense in the statement of activities, with accumulated depreciation reflected in the statement of net assets. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

Equipment	5-10 years
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Equity Classifications

In the government-wide statements, equity is classified as net assets and displayed in three components:

- a. Invested in capital assets, net of related debt – consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net assets – consists of net assets with constraints placed on their use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net assets – all other net assets that do not meet the definition of "restricted" or "invested in capital assets, net of related debt."

In the fund statements, governmental fund equity is classified as fund balance. Fund balance is further classified as reserved and unreserved, with unreserved further split between designated and undesignated.

TWENTY-FIFTH JUDICIAL DISTRICT COURT  
Belle Chasse, Louisiana

Notes to Financial Statements (continued)

E. Expenditures, and Expenses

Expenditures/Expenses

In the government-wide financial statements, expenses are classified by function. In the fund financial statements, expenditures are classified by character and function.

F. Budgetary and Budgetary Accounting

Judges are only required under Louisiana Revised Statute 39:1302 et seq to adopt a budget for the Judicial Expense Fund (general fund). The Court follows these procedures in establishing the budgetary data reflected in the financial statements:

1. A proposed budget is prepared for the fiscal year prior to the beginning of each fiscal year.
2. If proposed expenditures exceed \$500,000, a summary of the proposed budget is published and the public is notified that the proposed budget is available for public inspection. At the same time, a public hearing is called, if required.
3. If required, a public hearing is held on the proposed budget at least ten days after publication of the call for a hearing.
4. After the holding of the public hearing, if required, and completion of all action necessary to finalize and implement the budget, the budget is legally adopted prior to the commencement of the fiscal year for which the budget is being adopted.
5. All budgetary appropriations lapse at the end of each fiscal year.
6. The budget is adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgeted amounts included in the accompanying financial statements are as originally adopted or as finally amended by the Court.

(2) Cash

Under state law, the Court may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the Union, or the laws of the United States. The Court may invest in certificates and time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana. At December 31, 2009, the Court has a cash balance (book balance) totaling \$40,847.

TWENTY-FIFTH JUDICIAL DISTRICT COURT  
Belle Chasse, Louisiana

Notes to Financial Statements (continued)

These deposits are stated at cost, which approximates market. Under state law, these deposits, (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent bank. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. Custodial credit risk for deposits is the risk that in the event of the failure of a depository financial institution, the Court's deposits may not be recovered or will not be able to recover collateral securities that are in the possession of an outside party. As of December 31, 2009, the Court's total bank balances were fully insured and therefore not exposed to custodial credit risk.

(3) Capital Assets

Capital asset balances and activity for the year ended December 31, 2009 is as follows:

	Balance 01/01/09	Additions	Deletions	Balance 12/31/09
Equipment	\$ -	\$ 7,037	\$ -	\$ 7,037
Less: Accumulated depreciation	-	704	-	704
Net capital assets	\$ -	\$ 6,333	\$ -	\$ 6,333

Depreciation expense of \$704 was charged to the general government function.

(4) Due From Other Governments

Amounts due from other governments consist of the following at December 31, 2009:

Government-wide and fund financial statements:

Plaquemines Parish Sheriff's Department	\$ 4,881
Plaquemines Parish Clerk of Court	735
Louisiana Supreme Court	2,188
Total	<u>\$ 7,804</u>

(5) Expenditures of the Court Paid by the Plaquemines Parish Government

The Court's office is located in the Plaquemines Parish Courthouse. The upkeep and maintenance of the courthouse are paid by the Plaquemines Parish Government. In addition, the Parish also pays some of the Court's operating expenditures. These expenditures are not reflected in the accompanying financial statements.

## **REQUIRED SUPPLEMENTARY INFORMATION**

TWENTY-FIFTH JUDICIAL DISTRICT COURT  
Belle Chasse, Louisiana

Budgetary Comparison Schedule  
General Fund  
Year Ended December 31, 2009

	Budget Final	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental	<u>48,325</u>	<u>24,677</u>	<u>(23,648)</u>
Expenditures:			
Current -			
General government:			
Operating services	51,400	45,825	5,575
Material and supplies	2,000	-	2,000
Capital outlay	<u>23,700</u>	<u>7,037</u>	<u>16,663</u>
Total expenditures	<u>77,100</u>	<u>52,862</u>	<u>24,238</u>
Net change in fund balances	(28,775)	(28,185)	590
Fund balance, beginning	<u>56,134</u>	<u>56,134</u>	<u>-</u>
Fund balance, ending	<u>\$ 27,359</u>	<u>\$ 27,949</u>	<u>\$ 590</u>

*See accompanying notes to budgetary comparison schedules.*

TWENTY-FIFTH JUDICIAL DISTRICT COURT  
Belle Chasse, Louisiana

Notes to Budgetary Comparison Schedules

(1) Basis of Accounting

The budget is adopted on a basis consistent with accounting principles generally accepted in the United States of America (GAAP). Budgeted amounts are as originally adopted or as finally amended by the Court.



**INTERNAL CONTROL, COMPLIANCE, AND OTHER INFORMATION**

# KOLDER, CHAMPAGNE, SLAVEN & COMPANY, LLC

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## REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

The Honorable Kevin Conner and the Honorable Joy Loblano  
Twenty-Fifth Judicial District Court  
Belle Chasse, Louisiana

We have audited the financial statements of the governmental activities and each major fund of the Twenty-Fifth Judicial District Court ("Court"), as of and for the year then ended December 31, 2009 which collectively comprise the Court's basic financial statements, and have issued our report thereon dated June 29, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

### Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Court's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion of the effectiveness of the Court's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Court's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as described in the accompanying schedule of audit results and findings, we identified a certain deficiency in internal control over financial reporting that we consider to be a material weakness and another deficiency that we consider to be a significant deficiency.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiency described in the accompanying schedule of audit results and findings as item 2009-1 to be a material weakness.

A significant deficiency is a deficiency or a combination of deficiencies in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiency described in the accompanying schedule of audit results and findings as item 2009-2 to be a significant deficiency.

#### Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Court's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

The Court's response to the findings identified in our audit is described in the accompanying corrective action plan for current year findings. We did not audit the Court's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of management and others within the organization and is not intended to be and should not be used by anyone other than these specified parties. Although the intended use of this report may be limited under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document in accordance with Louisiana Revised Statute 44:6.

***Kolder, Champagne, Slaven & Company, LLC***  
Certified Public Accountants

Morgan City, Louisiana  
June 29, 2010

TWENTY-FIFTH JUDICIAL DISTRICT COURT  
Belle Chasse, Louisiana

Schedule of Audit Results and Findings  
Year Ended December 31, 2009

Part I. Summary of Auditor's Results:

An unqualified opinion was issued on the financial statements.

Significant deficiencies in internal control were disclosed by the audit of the financial statements and one of the conditions is considered a material weakness.

The audit did not disclose any instances of noncompliance required to be reported under *Government Auditing Standards*.

A management letter was not issued.

TWENTY-FIFTH JUDICIAL DISTRICT COURT  
Belle Chasse, Louisiana

Schedule of Audit Results and Findings (continued)  
Year Ended December 31, 2009

Part II. Findings required to be reported in accordance with *Governmental Auditing Standards*:

A. Internal Control Findings-

2009-1 Inadequate Segregation of Duties

CONDITION: Accounting and financial functions are not adequately segregated.

CRITERIA: SAS109, *Understanding the Entity and its Environment and Assessing the Risks of Material Misstatement*, AU §314.43 defines internal control as follows:

*"Internal control* is a process – effected by those charged with governance, management, and other personnel – designed to provide reasonable assurance about the achievement of objectives with regard to reliability of financial reporting, effectiveness and efficiency of operations, and compliance with applicable laws and regulations.

Additionally, Statements on Standards for Attestation Engagements (SSAE) AT §501.03 states:

An entity's internal control over financial reporting includes those policies and procedures that pertain to an entity's ability to record, process, summarize, and report financial data consistent with the assertions embodied in either annual financial statements or interim financial statements, or both."

CAUSE: The cause of the conditions is the result of a failure to design and implement policies and procedures necessary to achieve adequate internal control.

EFFECT: Failure to adequately segregate accounting and financial functions increases the risk that errors and/or irregularities including fraud and/or defalcations may occur and not be prevented and/or detected.

RECOMMENDATION: Due to the size of the operation and the cost-benefit of additional personnel, it may not be feasible to achieve complete segregation of duties.

**TWENTY-FIFTH JUDICIAL DISTRICT COURT**  
**Belle Chasse, Louisiana**

**Schedule of Audit Results and Findings (continued)**  
**Year Ended December 31, 2009**

**2009-2 Application of GAAP (generally accepted accounting principles)**

**CONDITION:** Management and staff lack the training and expertise in the selection and application of GAAP in the financial statement preparation process.

**CRITERIA:** SAS115, *Communicating Internal Control Related Matters Identified in an Audit*, AU §325.29 identifies the following as a deficiency in the design of (internal) controls:

“Employees or management who lack the qualifications and training to fulfill their assigned functions. For example, in an entity that prepares financial statements in accordance with generally accepted accounting principles, the person responsible for the accounting and reporting function lacks the skills and knowledge to apply generally accepted accounting principles in recording the entity’s financial transactions or preparing its financial statements.”

**CAUSE:** The cause of the conditions is the result of a failure to design and implement policies and procedures necessary to achieve adequate internal control.

**EFFECT:** Financial statements and related supporting transactions may reflect a material departure from generally accepted accounting principles.

**RECOMMENDATION:** The additional costs required to achieve the desired benefit may not be economically feasible.

**TWENTY-FIFTH JUDICIAL DISTRICT COURT**  
**Belle Chasse, Louisiana**

**Schedule of Audit Results and Findings (continued)**  
**Year Ended December 31, 2009**

**B. Compliance Findings**

There are no items reported under this section.

**Part III. Findings and Questioned Costs Relating to Federal Programs**

The Court did not meet the requirements to have an audit performed in accordance with the Single Audit Act Amendments of 1996 and OMB Circular A-133.

**TWENTY-FIFTH JUDICIAL DISTRICT COURT  
Belle Chasse, Louisiana**

**Corrective Action Plan for Current Year Findings  
Year Ended December 31, 2009**

**2009-1 - Segregation of Duties:**

**CONDITION:** Accounting and financial functions are not adequately segregated.

**MANAGEMENT'S RESPONSE:** not applicable

**2009-2 - Application of GAAP (generally accepted accounting principles)**

**CONDITION:** Management and staff lack the training and expertise in the selection and application of GAAP in the financial statement preparation process.

**MANAGEMENT'S RESPONSE:** The Court has evaluated the cost/benefit of establishing internal controls over the preparation of financial statements in accordance with GAAP, and determined that it is in the best interests of the Court to outsource this task to its independent auditors, and will review, approve, and accept responsibility for the content and presentation of the statements and related notes prior to issuance.